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Commercial enterprises are not bound by delivery prices in setting retail prices. The market supply of the prescribed product, its quality, its purpose, etc., are taken into consideration when setting its retail price. The retail price can thus be higher or lower than the cost price. For instance, first-class goods will always have a good sale, and commercial enterprises can set a retail price higher than the cost price on such goods. On the other hand, the enterprise will be obliged to sell goods of inferior quality at less than cost.

Production enterprises determine market profits independently, taking into account their market profit plan and also the demand for a given article. Only production enterprises realize market profits, as state commercial enterprises do not operate on a profit basis. The commercial network realizes a market profit only on goods procured from artisan producers' cooperatives, production enterprises of fraternal organizations, or private craftsmen, and when commercial enterprises have furnished the raw and other materials for processing directly to the production enterprise.

The market profit realized by production or commercial enterprises, less the deductions described is to be paid to branches of the People's Bank of the Federal Government. Special bonuses from market profits are to be given to production enterprises which produce goods of better quality than other enterprises.

The conscientious, planned, and systematic work of production and commercial enterprises will be reflected by the payment of corresponding contributions to the management fund and deductions for unrestricted spending. Production enterprises will deduct one percent from the total amount realized from market profits as their contribution to the management fund, and will retain one percent for unrestricted spending. Commercial enterprises will contribute 6 percent of their total favorable balance to the management fund and 4 percent to the rationalization fund.

The order was put into effect on 1 May 1950.

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- 2 -

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